

[ADMINISTRATIVE ORDER NO. 265, January 30, 1992]

DIRECTING THE CONTINUED ADOPTION OF ECONOMY MEASURES IN GOVERNMENT OPERATIONS FOR CALENDAR YEAR 1992

WHEREAS, it is imperative that the public sector deficit be limited to 2.7 percent of the GNP in order to achieve the goals of the economic stabilization program for Calendar Year 1992;

WHEREAS, revenue collections in CY 1992 are expected to be P12 billion less than that originally projected in the light of recent economic developments;

WHEREAS, there is a need for the Government to maintain prudence in government spending and to continue to streamline its operations in view of the limited resources; and

WHEREAS, pending the identification of alternative revenue resources, some P12 billion of disbursements of all agencies of government have to be deferred/withheld;

NOW, THEREFORE, I, CORAZON C. AQUINO, President of the Philippines, by virtue of the powers vested in me by law, do hereby order:

SECTION 1. All national agencies, including government-owned and controlled corporations, are hereby directed to set aside a 5% reserve from their programmed non-personal services appropriations under R.A. No. 7180 or the 1992 General Appropriations Act (GAA), pursuant to Section 67 of the said Act. Appropriations for school and hospital buildings as well as road maintenance funds under the Department of Public Works and Highways and the Internal Revenue Allotment shall be exempted from this reserve.

In addition, all agencies shall set aside another 5% reserve from their non-personal appropriations in the GAA. For purposes of this additional reserve, the following appropriations shall be exempt: Congress of the Philippines, the Judiciary Constitutional Offices, Internal Revenue Allotment, the International Commitments Fund and the Reconstruction and Rehabilitation Fund.

These reserves shall be augmented by a 10% reserve from programmed expenditures under all other appropriations sources, including the Public Works Act, except debt service, net lending, payment of internal revenue taxes and customs duties (Section 15, R.A. No. 7180) and expenditures funded from grants (Section 8, R.A. No. 7180) and sale of unserviceable equipment (Section 6, R.A. No. 7180).

In determining the sources of the reserves, however, estimated savings in personal services may be offered. Department secretaries have the flexibility to determine

the distribution of the reserve imposition among its attached agencies, including corporations, so long as the aggregate amount of reserves targetted from the department is met. No reserves shall be released except upon specific approval of the President.

SEC. 2. Government-owned and controlled corporations and local government units shall likewise impose a 10% reserve on their non-personal services expenditures for 1992, including those funded from internally generated resources. For purposes of this Section, the Internal Revenue Allotment shall be considered local funds. However, local governments shall fully observe the restrictions under Section 3 hereof pursuant to the 1992 GAA.

In determining the sources of the reserves, government corporations and local government units may offer estimated savings in personal services. Said reserves shall continue to form part of their respective funds.

SEC. 3. In conjunction with Sections 1 and 2, all agencies shall comply strictly with Section 14 of the General Provisions of the 1992 GAA which mandates that no government funds shall be used for the following:

- a. To purchase motor vehicles, except medical ambulances, military and police patrol vehicles, other utility vehicles, those used for mass transport when necessary in the interest of the public service, and those specifically authorized in the 1992 GAA;
- b. To defray the foreign travel expenses of any government official or employee, except in case of training, seminar or conference abroad when the officials and other personnel of the foreign mission cannot effectively represent the country therein and in case of travel necessitated by international commitments;
- c. To provide fuel, parts, repair and maintenance to any government vehicle which is not permanently marked "FOR OFFICIAL USE ONLY" with the name or logo of the agency, nor otherwise properly identified as a government vehicle and does not carry its official government plate number, except official vehicles assigned to the President, Vice-President, Senate President, Speaker of the House of Representatives, Chief Justice of the Supreme Court and Chairmen of the Constitutional Commissions and those used by personnel performing intelligence and national security functions: PROVIDED, That in case of any transport crisis, such as that occasioned by street demonstrations, mass protest actions, floods, typhoons and other emergencies, all government vehicles of any type whatsoever, whether luxury cars or utility vehicles, shall be made available to meet the emergency and utilized to transport for free the commuters on a round-the-clock basis;
- d. To pay the honoraria, allowances or other forms of compensation to any government official or employee, except those specifically authorized by law; and